Medicines under price control

4462. SHRI AKHILESH DAS: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the number of medicines put under price control;

(b) whether Intra-Venous fluid has also been put under price control;

(c) whether it has come to Government's notice that the stockists are charging high margins of more than 100% on this essential medicine which is used during operations and post operations; and

(d) if so the measures taken to bring this medicine under the drug price control order?

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SHEES RAM OLA): (a) In the First Schedule of DPCO, 95, 76 bulk drugs have been kept under price control. Any formulation having any of these bulk drug also comes under price control.

(b) No, Sir.

(c) Yes, Sir.

(d) The matter has been referred to the BICP to undertake cost price study.

Expansion Programme in Fertilizer Sector

4463. SHRI SURINDER KUMAR SINGLA:
DR. SHRIKANT RAM-CHANDRA JICHKAR:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details of the expansion programme in the fertilizer sector;

(b) by when the expansion will be completed; and

(c) the steps being taken to see that fertilizer demand of the country is adequately met?

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS: (SHRI SHEES RAM OLA): (a) and (b) The details of the fertilizer projects under implementation in the country are indicated in the enclosed statement. *(see* below).

(c) In order to optimise the indigenous fertilizer production, an appropriate policy frame work has been put into place. The main elements of this frame work are as follows:

(i) The domestic urea industry is supported through the retention price-cum-subsidy scheme and freight subsidy. The expenditure on this account during 1996-97 was Rs. 4743 crore.

(ii) Assistance is provided to the fertilizer industry for securing linkages of feedstock, fuel and rail movement.

(iii) Liquid petroleum products used as feedstock and fuel in fertilizer plants are supplied at concessional prices.

(iv) As a part of Government's liberalisation policy, no industrial licence is now required for setting up a fertilizer plant.

(v) Investment in the fertilizer sector is encouraged, inter-alia, through concessions on supplies of capital goods for the fertilizer industry in the form of import duty exemption and deemed export benefits, as well as interest rate concession on long-term loans raised by fertilizer units.

(vi) The rate of special concession on indigenously manufactured DAP, which was Rs. 1000 per tonne prior to 6.7.96 has progressively been enhanced to RS. 3750/- w.e.f. 1.4.97. A proportionate increase in the rate of concession has been allowed in respect of other complex fertilizers. The rate of special concession on SSP has been raised from Rs. 340/- per tonne to Rs. 600/- per tonne.

The Central public/Cooperative sector fertilizer units have adopted the following strategy to increase fertilizer production to meet the growing demand of fertilizer in the country:

(i) Expansion / retrofitting / re-vamping of existing fertilizer plants;

(ii) Overcoming the constraints in the availability of natural gas

by setting up naphtha- based fertilizer plants and installing dual fuel/feedstock facilities in the existing plants and projects under implementation;

(iii) Setting up of joint venture projects in countries having abundant and cheap raw material resources.

Budgetary support has also been provided to the sick fertilizer undertakings in the central public sector to enable them to sustain their production. The final gap between the demand and indigenous supply of fertilizer is met through imports.

Statement

Details of Fertilizer Projects under implementation in the country to be commissioned during the Ninth Plan Period

S. No.	Name of the Project, Location and Company/Cooperative	Production envisaged Product Capacity [in lakh MTPA]	Zero Date	Approved date of commissioning	Remarks
I. PROJECTS FOR CAPACITY ADDITION/REPLACEMENT TO BE COMMISSIONED DURING 1997-98					
	[a] CAPACITY ADDITION				
1.	Revamp project of MFL at Manali, Madras	Urea 0.76 NPK 1.84	01.01.1993	30.06.1996	Likely to be commissioned by 15.6.1997.
2.	Expansion project of IFFCO at Kalol [Gujarat]	Urea 1.50	01.03.1995	01.09.1997	
3.	Ammonia plant retrofit of RCF at Thal, [Phase II] Maharashtra	Urea 1.10	01.11.1995	01.11.1997	
4.	Expansion project of IFFCO at Phulpur [U.P.]	Urea 7.26	20.04.1995	20.01.1998	
5.	Expansion project of NFCL at Kakinada, A.P	Urea 4.95	01.08.1995	01.02.1998	
	[b] CAPACITY REPLACEMENT				
6.	Ammonia Replacement Plant of FACT at Udyogamandal, Kerala [Import Replacement]	Ammonia 2.97	10.05.1993	31.03.1997	Likely to be commissioned by 31.08.1997
7.	Ammonia Project of GSFC, Baroda Gujarat [Replacement of old Capacity]	Ammonia 4.45	26.08.1994	31.12.1997	

S. No.	Name of the Project, Location and Company / Cooperative	Production envisaged Product Capacity [in lakh MTPA]	Zero Date	Approved date of commissioning	Remarks
2. PROJECTS FOR CAPACITY ADDITION TO BE COMMISSIONED BEYOND 1997-98					
8.	Expansion project of IFFCO at Kandla [Kandla Phase II]	NPK 3.70 DAP 2.27	22.1.1997	22.10.1999	
9.	Expansion project of [Gadepan Phase II] Chambal Fertilizers and Chemicals Ltd., Gadepan, Rajasthan	Urea 7.75	Yet to be expected to be commissioned by 01.09.1999 declared		

TOTAL UREA = 23.32 LAKH MTPA
NPK = 5.54 LAKH MTPA
DAP = 2.27 LAKH MTPA

Trend of consumption, production and import of fertilizer

4464. SHRI JAGIR SINGH DARD:
DR. SHRIKANT RAM-CHANDRA JICHKAR:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the trend of consumption, production and imports of fertilizer in our country during the last decade;

(b) how does this compare with other developed and developing countries; and

(c) the steps to be taken to see that healthy trends continue in our country?

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SHEES RAM OLA): (a) and (b) A statement showing consumption, production and import of fertilizer nutrients in the country since 1985-86 is given in the annexure [*See* Appendix 180, annexure no-93]. Fertilizer consumption in the country has grown by 63.8% between 1985-86 and 1995-96. According to 'World Fertilizer Consumption statistics' published by the International Fertilizer Industry Association (March'97), the consumption of fertilizers during the same period has registered a decline of 35.4% in the case of developed countries. In the case of developing countries there has been an increase in consumption of 61.7% in this period.

No meaningful comparison of production and imports of fertilizers across countries is made nor is it possible.

(c) The overall fertilizer consumption in N+P+K terms has registered a growth in the country despite a fall in consumption of phosphatic and potassic fertilizers after their decontrol in 1992-93. Amongst to various steps taken for providing impetus to P&K consumption, the most significant has been the increase in concessions on decontrolled fertilizers from Rs. 1000 PMT to Rs. 3750 PMT in the case of DAP, from Rs. 1000 PMT to Rs. 2000 PMT in the case of MOP; from Rs. 340 PMT to Rs. 600 PMT in the case of SSP and in the case of complex fertilizers in proportion to their P&K content.

In order to encourage indigenous fertilizer production, an appropriate policy frame work has been put into place. The main elements of this frame work are as follows:

(i) The domestic urea industry is supported through the retention price-cum-subsidy scheme.

(ii) No industrial licence is now required for setting up a fertilizer plant.

(iii) Investment in the fertilizer sector